



Blueberries Medical Reports 2022 Q2 Financial Results and Provides Corporate and Operations Update

Toronto, Ontario (August 25, 2022) – Blueberries Medical Corp. (CSE: BBM) (OTC: BBRRF) (FRA: 1OA), the Canadian parent of Blueberries S.A.S. (“**BBSAS**”), the premier Latin American licensed cultivator and producer of medicinal cannabis and medicinal-grade cannabis extracts, (together the “**Company**” or “**Blueberries**”), is pleased to report its financial results for the quarter ended on June 30, 2022. Today, Blueberries has filed its unaudited condensed interim consolidated financial statements and related management’s discussion and analysis, both of which are available on Blueberries’ profile at www.sedar.com. All amounts are expressed in Canadian dollars, unless otherwise noted.

Blueberries Medical Corp. continues to deploy its strategy by focusing on multiple key revenue-generating activities while reducing non-essential administrative cost, capital and operational expenditures. Additionally, individuals with proven track record in Cannabis / Pharma industries have joined the management team to cover key roles in the organization, primarily in Sales, Quality, Finance, and I+D.

Financial Highlights

All financial information in this press release is reported in Canadian dollars, unless otherwise indicated.

During the first 6 months of 2022, the Company has doubled its revenues from its comparative period in 2021; the Company has pivoted its core business from cultivation to the extraction services, and identified a unique niche in export market of isolated products to the Latin America countries. To date, the Company has been successful in exporting isolated products to Argentina. “Accordingly, in aligning with the Company’s strategy, the Company has begun to expand its commercial revenues, adding more final products and services to others cannabis companies in Colombia and Latin America (Latam),” said Facundo Garreton, Chief Executive Officer and Chairman of Blueberries Medical Corp.

Jose Maria Forero, President of Latin America Operations, also expressed, “We continue to focus our efforts guided by the Company’s three fundamental pillars: Operate with Excellence, Connect with Demand, and Differentiate while ensuring our long-term success. The Company is currently in search of a warehouse in Bogota or the suburbs to house the new production equipment, which will allow the Company’s to expand the capability of our facilities to ensure access to GACP CUMSC extraction services both for THC and CBD strains with a minimum CAPEX allocation.”

Jose Maria Forero also added, “To ensure immediate access to premium GACP CUMCS certified CBD and THC flower both for extraction and dry flower exportation purposes, the Company has cultivated an alliance with one of the largest cultivators, with CBD predominant genetic resources, in Colombia.”

Business Highlights

The success and work accomplished during Q2 in Argentina has served as the basis for entering the other Latin America market and the Company, being in a second stage of commercial development, is offering more portfolio products such as CBG and CBN isolates. Those products were delivered to four different Cosmetic laboratories as well as one pharmaceutical leading company under commercial arrangement and samples were delivered to, at least, twenty laboratories of food, cosmetic and pharmaceutical sectors.

The poor cannabinoids solubility in water is one of the most challenging conditions and hindrances to penetrate new markets and increase consumption moments. Faced with this challenge, the Company is pleased to announce the launch of **the long-awaited water-soluble development** with functionality superior to what is currently on the market. The Company has put considerable efforts and investment to improve the technology performance along every single horizon; less turbidity, increased stability since the novel product developed is in solid state and disruptive functional ingredients to yield almost neutral flavor specialty.

BBM has developed different CBD-predominant and THC-predominant formulations, designed in a functional way to attend to different pathologies. With this development, supported by local business partners, BBM intends to penetrate different markets by facilitating the use of its products in patients in need of cannabis-based formulations (not hemp), being the case of THC where its natural source is Delta 9 THC, which exceeds in effectiveness, efficiency, and naturalness the current offer supplied by United States with Delta 8 THC.

New Colombian Regulation

On February 18, 2022, the Colombian government issued the Resolution 227/2022 that improved license holders' conditions, such as extending from 5 to 10 years the term of the licenses and facilitating the process for applying to THC quotas. This resolution also regulated the use of non-psychoactive cannabis plant and its derivatives in food, beverages, alcoholic beverages, and dietary supplements. In this same direction, on April 1, 2022, the Colombian government issued the Resolution 539/2022 that regulates the Decree 811 of 2021 in all aspects related to the exportation of seeds for sowing, grain, plant component, cannabis plants, cannabis derivatives and related products, allowing therefore the exportation of dry flower for medical and scientific purposes.

In anticipation to this regulatory changes, the Company started in mid-2021 specific plans to: a) be ready to export premium grade THC with GACP CUMSC / IMC certification using a third-party cultivator model agreement with one of the largest flower processors in Colombia, (Blueberries already modified their license to be able to export) b) started the development of multiple non-psychoactive high value-added ingredients for Food and Beverages, including specialties for chocolate and a fully translucent CBD water-soluble powder for beverages and other uses.

Blueberries expects that these new opportunities allowed by the updated regulation in Colombia will be rapidly traduced into sales and income for the Company both locally and in development markets during the third quarter of 2022.

Second Quarter 2022 Financial Review

The Company's current strategic focus is centered in the optimization of the cash position, giving special attention to the continued reduction and control of expenses and to the generation of income through multiple commercial avenues and various product lines and B2B services. The management rigorously ensures that all activities are guided under the three fundamentals pillars of ***Operate with Excellence, Connect with Demand, and Differentiate***.

Results for the first two quarters of 2022 fall within the expectation of the management based on the strategic decision taken for the last quarter of 2021.

The Company has begun to expand its commercial revenues, extending our business model and to provide extraction services to other cannabis companies in Colombia. Together, with the anticipated increased revenue, the Company will focus its spending on CAPEX and EUGMP (*European Union Good Manufacturing Practices*) certifications.

SUMMARY BALANCE SHEET

	<u>As at June 30, 2022</u>	<u>As at December 31, 2021</u>
Total current assets	\$ 799,817	\$ 1,563,617
Total assets	2,556,649	3,593,880
Total liabilities	1,976,524	2,159,134
Total equity	\$ 385,207	\$ 1,434,746

Blueberries' commercial operations have successfully moved from introductory sales of cuttings of its cultivars to associate growers to effective sales of cannabis derivatives and extracts to customer both in Colombia and Peru. The Company launched a tolling service processing flower and biomass from small and mid-size licensed producers that is also positively impacting revenue results this year.

STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Revenues	\$ 39,826	\$ 14,785	\$ 73,541	\$ 37,905
Cost of sales - product revenues	-	(7,171)	(757)	(8,366)
Cost of sales - extraction services	(35,379)	-	(54,419)	-
Direct cost of production - cultivation	(511)	(32,846)	(41,830)	(97,907)
Direct cost of production - extraction services	(79,411)	(62,789)	(110,128)	(74,552)
Gross profit	\$ (75,475)	\$ (88,021)	\$ (133,593)	\$ (142,920)
Expenses				
Operating expenses - cultivation	\$ (281)	\$ (17,960)	\$ (22,944)	\$ (53,534)
Operating expenses - extraction services	(58,370)	(9,465)	(80,948)	(11,238)
General and administrative expenses	(331,097)	35,692	(652,170)	(124,261)
Depreciation and amortization	(83,867)	(141,191)	(168,557)	(358,217)
Finance expense	(77,201)	(64,980)	(152,085)	(127,469)
Foreign exchange loss	22,165	8,142	(4,018)	(27,124)
Total expenses	(528,651)	(189,762)	(1,080,722)	(701,843)
Other income (expense)				
Gain on disposal of property, plant and equipment	20,181	-	20,181	-
Other expense	72,228	8,716	26,110	(14,629)
Total other expenses	92,409	8,716	46,291	(14,629)
Net loss	\$(511,717)	\$ (269,067)	\$(1,168,024)	\$ (859,392)
Other Comprehensive Loss				
Foreign currency translation adjustment	(36,467)	(75,917)	46,825	(269,723)
Comprehensive loss	\$ (548,122)	\$ (344,984)	\$(1,121,199)	\$(1,129,115)
Net loss per share - basic and diluted	\$ (0.00)	\$ (0.00)	\$ (0.01)	\$ (0.01)
Weighted average number of shares outstanding - basic and diluted	163,810,263	142,996,446	163,810,263	142,996,446

Revenue

For the three months ended June 30, 2022, the Company generated a total revenue of \$39,826, an increase of \$25,041 (or 169%) from comparative period. The increase in revenue in this period was solely related to sales generated from extraction services. The gross profit, excluding the direct cost of production, in the extraction services is approximately 11%. In the comparative period, the revenue for the three months ended June 30, 2022, was generated solely from product revenue. For the six months ended June 30, 2022, the Company generated a total revenue of \$73,541, an increase of \$35,636 (or 94%) from comparative period.

	<u>Operating Expenses</u>		<u>Operating expenses</u>	
	Cultivation	Extraction services	Cultivation	Extraction services
	June 30, 2022		June 30, 2021	
Salary, wages, and benefits	\$ 431	\$ 7,232	\$ 15,496	\$ 6,651
Supplies, spare parts and equipment	200	32,094	3,639	278
License costs	(27)	-	527	(2)
Facilities	1,680	2,573	(2,883)	915
Laboratory	-	(2,973)	(3,182)	427
Fuel and oil	36	1	6,245	(8)
Transportation	2	992	(168)	19
Utilities	106	416	268	135
Other	(2,147)	18,035	(1,982)	1,050
	\$ 281	\$ 58,370	\$ 17,960	\$ 9,465

For the six months ended	<u>Operating Expenses</u>		<u>Operating expenses</u>	
	Cultivation	Extraction services	Cultivation	Extraction services
	June 30, 2022		June 30, 2021	
Salary, wages, and benefits	\$ 9,429	\$ 11,192	\$ 27,477	\$ 7,165
Supplies, spare parts and equipment	553	33,447	5,079	340
License costs	16	-	570	-
Facilities	4,223	4,702	1,313	1,096
Laboratory	65	868	-	564
Fuel and oil	51	203	6,424	-
Transportation	52	1,704	458	46
Utilities	264	1,076	957	165
Other	8,291	27,756	11,366	1,862
	\$ 22,944	\$ 80,948	\$ 53,644	\$ 11,238

Operating Expenses

During the three months ended June 30, 2022, a total of \$58,651 of operating expenses were incurred, an increase of \$31,226 (or 113%) from the comparative period. The Company incurred minimal operating expenses related to cultivation as it focused its efforts in expanding its extraction services, with most of the operating costs incurred to purchase supplies and parts. In the comparative period, the Company's operating expenses were 65% and 35% related to cultivation and extraction services, respectively. During the three months ended June 30, 2021, the Company had not yet generated any revenue from extraction services.

During the six months ended June 30, 2022, a total of \$103,892 of operating expenses were incurred, an increase of \$39,010 (or 60%) from the comparative period. In the comparative period, the operating expenses in cultivation made up of 83% of the total operating expenses, while in the current period, it only accounted for 23% of the total operating expenses. This is consistent to the Company's shifting in its efforts to seize the opportunities in the extraction market.

General and Administrative Expenses

	<u>Three months ended June 30</u>		<u>Six months ended June 30,</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Audit and accounting	\$ 55,275	\$ 17,500	\$ 124,568	\$ 8,683
Consulting	38,767	5,301	63,398	23,047
Director and management fees	-	43,700	-	100,700
Filing and transfer agent fees	23,368	7,940	34,929	32,842
General office	26,166	10,171	11,216	24,979
Insurance	24,561	20,568	47,425	38,183
Legal	7,528	4,496	8,420	4,829
Other	366	19,189	636	22,894
Salary, wages, and benefits	127,447	95,731	265,245	159,511
Share based compensation expense (recovery)	27,182	(260,265)	71,660	(291,425)
Travel	437	(23)	445	18
Total	\$ 331,097	\$ (35,692)	\$ 627,942	\$ 124,261

Audit and accounting fees - Audit and accounting fees include cost of audit, accounting and taxation services provided by the Company's external auditor and other third parties. The increase of \$33,466 (or 145%) and \$40,351 (or 175%) in the three months ended and six months ended June 30, 2022, respectively, was related to increased anticipated audit fees from prior year as well as costs related to accounting fees provided by a third party which began in the third quarter of 2021.

Director and management fees - For the three months ended and six months ended June 30, 2022, the Company incurred \$Nil (2021 - \$43,700) and \$Nil (2021 - \$100,700) in director and management fees expenses. The overall decrease reflects savings measures implemented, with certain directors and officers leaving the Company in 2021.

General office - General office expenses include office and equipment rent, utilities, communication, and cleaning services, which are expensed as incurred. For the three months ended June 30, 2022, the Company incurred an increase of \$15,428 (or 47%) in general office expenses, respectively, compared to the comparative period; while the general office expenses for the six months ended June 30, 2022 were consistent to the comparative period.

Salary, wages, and benefits - Salary, wages, and benefits include payroll, training, benefits, and severance costs of employees in Colombia. For the three months and six months ended June 30, 2022, the Company incurred an increase of \$31,716 and \$105,734, respectively, compared to the comparative period. The Company has increased its head count in Colombia as it focuses its efforts in expanding commercial and revenue-generating activities.

Share-based compensation expense (recovery) - For the three months and six months ended June 30, 2022, total share-based compensation expenses incurred were \$27,182 (an increase of \$287,447 from comparative period) and \$71,660 (an increase of \$363,085 from comparative period), respectively. A total of 3,099,998 unvested options forfeited in the first quarter of 2021, which resulted in a reversal of stock-based compensation of \$251,982. In the second quarter of 2021, an additional total of 775,000 unvested options were forfeited, resulting the recovery of stock-based compensation of \$260,265.

About Blueberries Medical Corp.

Blueberries is a Latin American licensed producer of naturally grown premium quality cannabis with its primary operations ideally located in the Bogotá Savannah of central Colombia. The Company is led by a specialized team with proprietary expertise in agriculture, genetics, extraction, medicine, pharmacology and marketing. Blueberries is fully licensed for the cultivation, production, domestic distribution, and international export of CBD and THC-based medical cannabis in Colombia. Blueberries' combination of leading scientific expertise, agricultural advantages and distribution arrangements has positioned the Company to become a leading international supplier of naturally grown, processed, and standardized medicinal-grade cannabis oil extracts and related products.

Additional information about the Company is available at www.blueberriesmed.com. For more information, please contact:

Jose Forero, President, Latin American Operations
jforero@blueberriesmed.com
Tel: +57 310 345 8808

Guillermo Rodriguez, CFO Blueberries Medical Corp.
grodriguez@blueberriesmed.com
Tel: +54 911 6015 2227

Cautionary Note Regarding Forward-Looking Information

This news release contains "forward-looking information" and "forward-looking statements" (collectively, "forward-looking statements") within the meaning of the applicable Canadian securities legislation. All statements, other than statements historical fact, are forward-looking statements and are based on expectations, estimates and projections as at the date of this news release. Any statement that involves discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions, future events or performance (often but not always using phrases such as "expects", or "does not expect", "is expected", "anticipates" or "does not anticipate", "plans", "budget", "scheduled", "forecasts", "estimates", "believes" or "intends" or variations of such words and phrases or stating that certain actions, events or results "may" or "could", "would", "might" or "will" be taken to occur or be achieved) are not statements of historical fact and may be forward-looking statements. In this news release, forward-looking statements relate, among other things, to: commencement of commercial production of CBD-dominant oils and products, successful implementation of full GMP standards at its extraction facility to allow for additional export potential to international markets, achieving additional milestones is contemplated, or at all, ability to expand distribution networks, ability to expand and upgrade the Company's cultivation facilities in Colombia, internal expectations, expectations regarding the ability of the Company to access new Latin American and international markets, the ability to attract and retain new customers, and future expansion plans including development of the cultivation, production, industrialization and marketing of cannabis for commercial and scientific purposes.

These forward-looking statements are based on reasonable assumptions and estimates of management of the Company at the time such statements were made. Actual future results may differ materially as forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to materially differ from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors, among other things, include: fluctuations in general macroeconomic conditions; fluctuations in securities markets; expectations regarding the size of the Colombian and international medical cannabis market and changing consumer habits; the ability of the Company to successfully achieve its business objectives; plans for expansion; political and social uncertainties; inability to obtain adequate insurance to cover risks and hazards; and the presence of laws and regulations that may impose restrictions on cultivation, production, distribution and sale of cannabis and cannabis related products in Colombia, Argentina and elsewhere; and employee relations. Although the forward-looking statements contained in this news release are based upon what management of the Company believes, or believed at the time, to be reasonable assumptions, the Company cannot assure shareholders that actual results will be consistent with such forward-looking statements, as there may be other factors that cause results not to be as anticipated, estimated or intended. Readers should not place undue reliance on the forward-looking statements and information contained in this news release. The Company assumes no obligation to update the forward-looking statements of beliefs, opinions, projections, or other factors, should they change, except as required by law.

Additional information regarding the Company, and other risks and uncertainties relating to the Company's business are contained under the heading "Risk Factors" in the Company's Listing Statement dated January 31, 2019 filed on its issuer profile on SEDAR at www.sedar.com.

No stock exchange, securities commission or other regulatory authority has approved or disapproved the information contained herein.